

W-2 CONTRACT EXHIBIT A

ACCESS TO ADDITIONAL FUNDING FOR W-2 BENEFITS

INTRODUCTION

Increases in W-2 Benefits caseloads due to economic downturn or a crisis beyond the control of the W-2 agency may be addressed by disbursements from the Department or from the W-2 Contingency Fund, which is subject to approval by the Legislative Joint Committee on Finance. This Contract Exhibit describes the criteria and process under which Additional Funding for W-2 Benefits may be requested.

CRITERIA FOR ACCESS

W-2 agencies must meet all of the following three criteria:

1. a. There has been a crisis beyond the control of the agency such as a natural disaster, a terrorist attack, or when a plant closes and triggers a Dislocated Worker Rapid Response.

or

1. b. There has been an economic downturn. An economic downturn is defined as a twenty percent (20%) increase in the number of unemployed in the county, relative to July 2001*, based upon Local Area Unemployment Statistics data (not seasonally adjusted data regardless of Metropolitan Statistical Area, or MSA).

* 2002-03 W-2 contract allocations were based on caseload data through July 2001.

and

2. Prior to the end of the Contract, the agency projects it will exhaust more than one hundred percent (100%) of the Department's contract allocation to the agency for Benefits, and will have expended the Services/Administration budget to the extent where further expenditures would result in an insufficient budget to meet the Department's mandated performance standards.

and

3. The amount and type of agency expenditures under the Contract as of the date of the agency's request, and the agency's expenditure projections appear reasonable to the Department, based on available information.

PROCESS

1. If the W-2 agency projects W-2 Benefits expenditures greater than one hundred percent (100%) of the W-2 agency's Benefits allocation, then the Department will require the W-2 agency to contribute fifty percent (50%) of its Community Reinvestment (CR) funds plus five percent (5%) out-of-pocket to cover Benefits deficits.
2. The five percent (5%) out-of-pocket is five percent (5%) of the original Benefits allocation amount in the 2002-03 W-2 and Related Programs Contract and may be covered with W-2 Administrative funds, Community Reinvestment (CR) or any funds other than W-2 Services funds.
3. Community Reinvestment (CR) is fifty percent (50%) of the CR earned under the 2000-01 W-2 and Related Programs Contract, and contracted in the 2002-03 contract period.
4. Based on a minimum of the first nine months of W-2 Benefits expenditures, the W-2 agency may submit a request for additional W-2 Benefits funds within thirty (30) calendar days after the end of a

calendar quarter, in accordance with the criteria in this Contract Amendment. If necessary, subsequent or multiple requests may be submitted.

5. Requests must be received by the Department of Workforce Development (DWD) Contract Manager (Area Administrator) within thirty (30) calendar days after the end of a calendar quarter. Within thirty (30) calendar days the Department will notify the agency whether the request will be submitted to Joint Finance, whether other alternative funding within the discretion of the Department is available, or whether the request is denied.
6. Within thirty (30) calendar days of the Department's identification of available funding or Joint Finance Committee approval of a Contingency Fund request, the Department will issue a Contract Amendment to the requesting agencies increasing the W-2 Benefits allocation. This allocation will be restricted to W-2 Benefits.
7. For all agencies, the amount of any Contract Amendment will be at the discretion of the Department and will be limited by the funding approved by the legislative approval process. Any underspending of the Contract Amendment amount must be returned to the Department.